

**Members of the Board of Education  
Beechwood Independent Board of Education  
Fort Mitchell, Kentucky**

**Kentucky State Committee for School District Audits  
Frankfort, Kentucky**

In planning and performing our audit of the financial statements of Beechwood Independent Board of Education for the year ended June 30, 2012, we considered the Board's internal control structure to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit, we became aware of matters that are opportunities for strengthening internal controls and operating efficiency. This letter summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated September 14, 2012 on the financial statements of the Beechwood Independent Board of Education.

In the prior year, there were two instances where the teachers receipt form did not agree with the bank deposit. The explanation is the teacher completes the form with all students listed that are to pay the related fee, but a few students may not have paid when the money and form are turned in. We recommend that the Activity Treasurer note on the teachers receipt form the amount of cash received and the amount still to be collected for a future deposit.

**CURRENT YEAR RECOMMENDATIONS**

**General Fund**

In testing of employee wages paid, it was noted that one employee was incorrectly paid by approximately \$400 due to being paid at one "step category" over the authorized category. It appears to be an isolated instance as no other differences were found. We recommend that all pay categories be reviewed for accuracy.

**Management Response**

The incorrect pay will be recouped. All pay categories are reviewed by the Finance Officer. The error was an isolated instance.

**Lunch Program**

From a review of computer runs of lunch receipts, they were compared to the receipt bank deposits. A few days had a bank deposit not in agreement with the computer runs. Almost all differences were under \$10, an over/short situation. While the differences were minor and infrequent, we recommend that the lunch program manager keep a tally of over/short amounts. Analysis of any over/short trends, cumulative amounts and which registers had differences could be beneficial to control of lunch program cash receipts.



#### Management Response

The Lunch Program will attempt to track over and short amounts.

#### Activity Fund

It was noted that the school Activity Fund does not use the "School Fundraiser" form as recommended by the "Red Book". We recommend that the Activity Fund use the Fundraiser form for all school fundraising activities to better document fundraiser activities.

#### Management Response

The Finance Director will meet with the School Principal and Activity Fund Treasurer to emphasize the importance and institute the use of the form.

#### **RANKIN, RANKIN & COMPANY**

**Ft. Wright, Kentucky**  
**September 14, 2012**